

EVALUATION CURRICULUM

Mortgage Brokerage Qualification Program
Responsible Officer

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Introduction

The decision to develop an evaluation curriculum for the functions of the responsible officer in a mortgage brokerage firm was made in response to the Government of Québec's will, expressed in Bill 141, to transfer the activities related to the regulation of the mortgage brokerage profession from the *Organisme d'autoréglementation du courtage immobilier du Québec* (OACIQ) to the *Autorité des marchés financiers* (AMF). A training curriculum was therefore drafted in order to compile the core tasks and operations that the responsible officer in a mortgage brokerage firm can accomplish. On the basis of that document, an evaluation curriculum was designed in collaboration with committees of subject matter experts.

Development and refinement of evaluation curriculum

The evaluation curriculum for responsible officers is the component of the Mortgage Brokerage Qualification Program (MBQP) that defines the expectations for the competency to set up an ethical professional practice in compliance with the rules governing the management of a mortgage brokerage firm. It specifies the skills to be evaluated for the certification of responsible officers. The expert committees that developed this document were composed of officers from mortgage brokerage firms and trainers from various training centres, most of whom had already been involved

in validating the training curriculum. These experts were able to analyze, evaluate and improve the relevance, structure and scope of the evaluated competencies. The contents related to each competency were also formulated. The discussions held during the validation process with the expert committee were used to prepare a first draft of the evaluation curriculum based on the following four criteria:

- Skills essential to the responsible management of a mortgage brokerage firm;
- Skills essential to consumer protection;
- Evaluation using multiple-choice questions;
- Open-book evaluation.

In this second phase of the draft, the structure and content of the evaluation curriculum were reorganized based on the participating experts' recommendations. The reworded draft version was then submitted to them so that they could confirm and, possibly, augment the results of the validation process.

COMPETENCY 16-117:

Set up an ethical professional practice in compliance with the rules governing the management of a mortgage brokerage firm

Competency components	Subcomponents	Related content	% [*]
1. Understand the legal framework for mortgage brokerage	1.1 Distinguish the provisions of the <i>Civil Code of Québec</i> (C.C.Q.) that apply to responsible officers in mortgage brokerage firms	• Respect of privacy • Respect of family life • Legal persons • Property and ownership • Administration of the property of others • Civil liability • Management of the business of another • Receipt of a payment not due and unjust enrichment • Contract of enterprise or for services • Notion of enterprise • Contracts of partnership and of association	25 %

^{*} Relative importance (weighting) of a given theme in relation to the examination as a whole.

COMPETENCY 16-117:

Set up an ethical professional practice in compliance with the rules governing the management of a mortgage brokerage firm

Competency components	Subcomponents	Related content	%*
1. Understand the legal framework for mortgage brokerage (continued)	1.2 Distinguish the other sources of law that apply to responsible officers in mortgage brokerage firms	• Act respecting the distribution of financial products and services (Distribution Act) and its regulations • Act respecting the protection of personal information in the private sector (APPIPS) • Bank Act • Trust and Loan Companies Act • Insurance Companies Act • Cooperative Credit Associations Act • Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) • Competition Act • Real Estate Brokerage Act • Consumer Protection Act • Trust Companies and Savings Companies Act • Regulation respecting land registration • Canada Mortgage and Housing Corporation Act • Code of Civil Procedure (C.C.P.) and legal hypothecs • Income Tax Act	25 %

* Relative importance (weighting) of a given theme in relation to the examination as a whole.

COMPETENCY 16-117:

Set up an ethical professional practice in compliance with the rules governing the management of a mortgage brokerage firm

Competency components	Subcomponents	Related content	%*
2. Integrate into professional practice the rules governing the activities of responsible officers	2.1 Understand the role of mortgage brokerage regulatory bodies	• Autorité des marchés financiers (AMF) • Mortgage Broker Regulators’ Council of Canada (MBRCC) • Mortgage Professionals Canada	30 %
	2.2 Understand the role of mortgage brokerage inspectors and investigators	• Regulator’s role • Elements sought by inspectors and investigators • Audit process	
	2.3 Integrate into professional practice the ethical obligations and duties prescribed by the legislation and regulations in effect	• Professional obligations and duties of responsible officers in mortgage brokerage firms • Ethical obligations and duties of mortgage brokers and responsible officers in mortgage brokerage firms • Compliance standards for commissions registers • Compliance standards for incentives registers	

* Relative importance (weighting) of a given theme in relation to the examination as a whole.

COMPETENCY 16-117:

Set up an ethical professional practice in compliance with the rules governing the management of a mortgage brokerage firm

Competency components	Subcomponents	Related content	%*
2. Integrate into professional practice the rules governing the activities of responsible officers (continued)	2.4 Integrate into professional practice the obligations and duties of responsible officers set out in the other legal sources that apply to their practice	• Obligations under the <i>Act respecting the distribution of financial products and services</i> (Distribution Act) and its regulations – Right to practise – Liability insurance – Advertising – Remuneration – Collaboration • Obligation to comply with the provisions of the <i>Act respecting the protection of personal information in the private sector</i> (APPIPS) • <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i> (PCMLTFA) • Fraud prevention • Keeping of a business’s books and records (distinction between procedures before and after transfer of supervision to the AMF) • Tax laws (a business’s tax obligations) • Corporate income tax • GST/QST • Payroll contributions and deductions • Tax instalments • Fraud prevention	30 %

* Relative importance (weighting) of a given theme in relation to the examination as a whole.

COMPETENCY 16-117:

Set up an ethical professional practice in compliance with the rules governing the management of a mortgage brokerage firm

Competency components	Subcomponents	Related content	% [*]
3. Supervise the professional activities of a mortgage brokerage firm	3.1 Oversee the work of clerical and support staff	• Verification of work performed • Regulated acts • Controls	45 %
	3.2 Oversee the professional activities of mortgage brokers	• Compliance standards for mortgage brokers' records – Registration – Validity of licences (qualifications and restrictions) – Compliance with professional development requirements – Probationary period rules – Trainee supervision – Conducting of mortgage brokerage transactions	

^{*} Relative importance (weighting) of a given theme in relation to the examination as a whole.

COMPETENCY 16-117:

Set up an ethical professional practice in compliance with the rules governing the management of a mortgage brokerage firm

Competency components	Subcomponents	Related content	%*
3. Supervise the professional activities of a mortgage brokerage firm (continued)	3.2 Oversee the professional activities of mortgage brokers (continued)	• Compliance standards for client records – Proof of identity – Right to enter into a contract – Right to represent – Brokerage contract – Client authorizations (brokerage contract) – Credit check – Proof of income – Liabilities – Balance sheet – Financial statements – Copy of promise to purchase – Lender’s letter of commitment signed by the client – Other documents relevant for underwriting purposes (proof of down payment, property description sheet, municipal taxes, etc.) • Mortgage brokers’ rules of conduct • Supervision of mortgage brokers and monitoring of their records • Advertising rules • Conflict of interest rules	45 %

* Relative importance (weighting) of a given theme in relation to the examination as a whole.

COMPETENCY 16-117:

Set up an ethical professional practice in compliance with the rules governing the management of a mortgage brokerage firm

Competency components	Subcomponents	Related content	%*
3. Supervise the professional activities of a mortgage brokerage firm (continued)	3.3 Monitor the complaint examination process	- Investigation and complaint examination process - Notion of natural justice - Solutions and settlement - Role of regulatory authorities	45 %
	3.4 Validate a mortgage brokerage firm's right to operate	- Qualifications of responsible officers - Professional development - Payment of fees and operating expenses - Insurance	

* Relative importance (weighting) of a given theme in relation to the examination as a whole.

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